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CB 117368

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PER Vacation Donation ORD
December 5, 2011
Version #10

ORDINANCE _____

AN ORDINANCE relating to City employment; adding a new section to Seattle Municipal Code Chapter 4.34 that authorizes eligible City of Seattle employees to convert accumulated and unused vacation to cash to benefit relief efforts on behalf of victims of natural disasters.

WHEREAS, natural hazards such as earthquakes, tsunamis, hurricanes and floods can result in natural disasters that threaten life, property and critical systems; and

WHEREAS, natural disasters, whether they occur within the United States or other countries, can leave individuals homeless or without food, clothing, water, or other basic necessities for survival and overwhelm communities' capabilities to respond and recover; and

WHEREAS, the City of Seattle has examined opportunities for City employees with specific skills to assist agencies or to provide personal financial contributions for disaster relief efforts; and

WHEREAS, City of Seattle employees have supported disaster relief efforts in the past through monetary contributions, volunteering their time, or donating the cash value of vacation leave; and

WHEREAS, in response to previous humanitarian crises, the United States Internal Revenue Service determined that it would not assert that donations of cash converted from employee vacation leave balances constituted gross income or wages; and that such donations did not result in constructive receipt of gross income or wages for employees;

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. A new Section 4.34.075 is added to the Seattle Municipal Code as follows:

4.34.075 Donation of Vacation Leave for Natural Disaster Relief Efforts

A. Any employee who earns vacation under Seattle Municipal Code Chapter 4.34 and who is otherwise eligible to use vacation may voluntarily authorize the conversion of accumulated and unused vacation balances to cash for transmission by the City to a designated agency for the purposes of funding natural disaster relief. An employee



1 may not convert more than 20 hours of his or her vacation time over the course of a
2 calendar year, and must convert vacation time in one-hour increments. An employee
3 may only convert vacation time for donation of funds to an agency designated under
4 the process and consistent with the criteria provided in Seattle Municipal Code
5 4.34.075(C) and for a natural disaster or disasters designated under the process and
6 consistent with the criteria provided in Seattle Municipal Code 4.34.075(B).
7

- 8 1. The Personnel Director shall provide and the donating employee shall sign a
9 form stating the employee's consent to and approval of conversion of vacation
10 hours. The employee shall state the number of vacation hours to be converted
11 to cash for donation, and shall identify the relief agency that shall receive the
12 funds.
13
- 14 2. The amount of vacation donated by any employee shall be converted to cash
15 at the straight-time base rate of pay in effect for the employee's regular
16 position title, exclusive of premium, shift differential or longevity payment at
17 the time of donation.
18
- 19 3. The cash resulting from the converted vacation hours shall be transmitted by
20 the Personnel Director to the designated agency or agencies specifically for
21 use in the relief efforts related to natural disasters authorized by Seattle
22 Municipal Code Section 4.34.075.
23
- 24 4. Participating employees' accumulated and unused vacation balances shall be
25 reduced by the number of hours designated for conversion to cash. The
26 Director of Department of Finance and Administrative Services will adjust the
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1 accumulated and unused vacation balances for employees who select to
2 participate in the natural disaster giving opportunities. The Personnel
3 Department working with the Department of Finance and Administrative
4 Services may execute, deliver and perform program and administrative duties
5 to complete the transfers of cash donations from vacation leaves to relief
6 agencies.
7

8 B. For the purposes of administering Seattle Municipal Code 4.34.075, a natural disaster
9 is defined as the effect of a natural hazard (e.g. earthquake, flood, or landslide) on
10 human populations. The Personnel Director in consultation with the Director of the
11 Office of Emergency Management shall designate which natural disasters qualify for
12 employee donations via vacation conversion under Seattle Municipal Code
13 4.34.075(A), consistent with the following criteria:
14

- 15 1. The natural disaster affects a significant portion of the country or region's
16 population and/or results in significant damage to the affected country or region's
17 infrastructure; and
- 18 2. The natural disaster affects a country or region that lacks the ability and/or
19 resources to effectively respond to the disaster; and
- 20 3. The natural disaster is of a magnitude that only two to three such disasters occur
21 in a typical year.
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23 C. The Personnel Director in consultation with the Director of the Office of Emergency
24 Management shall designate which agencies qualify for employee donations via
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vacation conversion under Seattle Municipal Code 4.34.075(A), consistent with the following criteria:

1. The agency is internationally recognized as a leader in disaster relief and as an effective responder to natural disasters; and
2. The agency is a non-partisan, non-governmental entity.

D. The Personnel Director shall provide a report each year by December 31 to the Chair of the Finance and Budget Committee listing the relief agencies and natural disasters that qualified and received donations under SMC 4.34.075(A), as well as the number of hours converted and total dollars donated for natural disaster relief.

Section 2. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.



1 Passed by the City Council the ____ day of _____, 2011, and signed by
2 me in open session in authentication of its passage this
3 ____ day of _____, 2011.

4
5 _____
6 President _____ of the City Council
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8 Approved by me this ____ day of _____, 2011.
9

10 _____
11 Michael McGinn, Mayor
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13 Filed by me this ____ day of _____, 2011.
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15 _____
16 Monica Martinez Simmons, City Clerk
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18 (Seal)
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FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Personnel	Barbara Gangwer/3-9149	Greg Shiring/6-4085

Legislation Title:

AN ORDINANCE relating to City employment; adding a new section to Seattle Municipal Code Chapter 4.34 that authorizes eligible City of Seattle employees to convert accumulated and unused vacation to cash to benefit relief efforts on behalf of victims of natural disasters.

Summary of the Legislation: This legislation amends the Seattle Municipal Code to authorize City of Seattle employees to convert accrued and unused vacation hours and provide the cash value of their vacation donations to disaster relief agencies. The Personnel Director, in consultation with the Director of the Office of Emergency Management, shall identify which relief agencies shall be eligible to receive the employee donations and which natural disaster responses such donations shall fund, based on selection criteria provided in the legislation. Employees may donate up to 20 hours of vacation leave to relief efforts per year. The legislation authorizes the Personnel Department with the Department of Finance and Administrative Services to execute, deliver and perform program and administrative duties to complete the transfers of cash donations from vacation leaves. The legislation also requires the Personnel Director to annually provide a report to the Chair of the Finance and Budget Committee listing the relief agencies and natural disasters that qualified and received donations, as well as the number of hours converted and total dollars donated for disaster relief.

Background: The purpose of this legislation is to provide employee giving opportunities for employees for natural disaster relief efforts. The City through Ordinances 123252 and 121948 allowed one-time opportunities to employees to donate the cash value of accrued and unused vacation leave up to 40 hours. This proposed legislation allows the City to be responsive to employee interest in donating to future natural disaster relief without additional legislation. This legislation does not limit City employees' generosity to donate their non-City affiliated time or money to benefit any relief agency or specific hazard if they wish to do so.

Please check one of the following:

☐ **This legislation does not have any financial implications.**
(Stop here and delete the remainder of this document prior to saving and printing.)

☒ **This legislation has financial implications.** (Please complete all relevant sections that follow.)



Appropriations:

Fund Name and Number	Department	Budget Control Level*	2011 Appropriation	2012 Anticipated Appropriation
			0	0
TOTAL			0	0

*See budget book to obtain the appropriate Budget Control Level for your department.

Appropriations Notes: No additional appropriations will be required; departments will absorb the costs from their current appropriations.

Anticipated Revenue/Reimbursement: Resulting from this Legislation:

Fund Name and Number	Department	Revenue Source	2011 Revenue	2012 Revenue
			0	0
TOTAL			0	0

Revenue/Reimbursement Notes: N/A

Total Regular Positions Created, Modified, or Abrogated through this Legislation, Including FTE Impact:

Position Title and Department	Position # for Existing Positions	Fund Name & #	PT/FT	2011 Positions	2011 FTE	2012 Positions*	2012 FTE*
TOTAL			0	0	0	0	0

* 2012 positions and FTE are total 2012 position changes resulting from this legislation, not incremental changes. Therefore, under 2012, please be sure to include any continuing positions from 2011.

Position Notes: N/A

Do positions sunset in the future? N/A

Spending/Cash Flow:

Fund Name & #	Department	Budget Control Level*	2011 Expenditures	2012 Anticipated Expenditures
TOTAL				

* See budget book to obtain the appropriate Budget Control Level for your department.

Spending/Cash Flow Notes: This legislation will draw down unfunded liability (vacation pay) that would have otherwise remained in employee leave balances.



Other Implications:

- a) **Does the legislation have indirect financial implications, or long-term implications?**

No.

- b) **What is the financial cost of not implementing the legislation?**

There may be financial costs associated with drafting multiple pieces of future legislation to meet the same goals of this legislation.

- c) **Does this legislation affect any departments besides the originating department?**

Yes, potentially all departments, depending on the level of vacation donations from each department.

- d) **What are the possible alternatives to the legislation that could achieve the same or similar objectives?**

None.

- e) **Is a public hearing required for this legislation?**

No.

- f) **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**

No.

- g) **Does this legislation affect a piece of property?**

No.

- h) **Other Issues:**

The past two vacation donation giving opportunities resulted in \$90K for Katrina relief and \$40K for Haiti and Chile relief across the City. In order to mitigate the potential financial impact to the City, the legislation limits the vacation donations up to 40 hours a year.

List attachments to the fiscal note below:

None.

Other Issues: (Include long-term implications of the legislation.)

List attachments to the fiscal note below:

